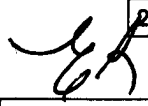


**EXECUTIVE SECRETARIAT  
ROUTING SLIP**

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR				
4	D/ICS				
5	DDI		X		
6	DDA				
7	DDO		X		
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/OLL				
14	D/PAO				
15	VC/NIC				
16	NIO/AF		X		
17	C/AF/DO		X		
18	D/ALA/DI		X		
19					
20					
21					
22					
		<b>SUSPENSE</b> _____ <small>Date</small>			

Remarks

Executive Secretary

9 Sept. 85

Date

**3637** (10-81)

25X1

Executive Registry

85- 3428

6 September 1985

MEMORANDUM FOR: Deputy Director for Intelligence  
National Intelligence Officer for Africa

FROM: Director of Central Intelligence

SUBJECT: NSPG re South Africa, 5 September 1985

1. You will see that I used Bob's letter to me on the South Africa estimate to balance out my brief summary of the estimate itself. I attach my talking points.

2. Fred will have learned about the decision to propose an Executive Order, picking out the acceptable elements of the proposed sanctions legislation as a tactic to head off closure or justify a veto of the sanctions legislation itself.



William J. Casey

Attachment a/s

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DCI  
5 Sept 85DCI TALKING POINTS  
NSPG re SOUTH AFRICA  
5 September 1985

The National Foreign Intelligence Board completed an estimate last week on Prospects for South Africa. It arrived at the somewhat ambiguous conclusion that over the next five years, Pretoria's economic, political, and military resources are sufficient to avert the collapse of the white regime but that internal and external forces beyond Pretoria's control could fundamentally change the attitudes of blacks and set in motion a series of events that could seriously threaten the white minority government.

President P. W. Botha's predominant concern is to maintain the support of his core white constituency. Polls and intelligence show most whites strongly favor restoration of law and order and cautious reform, in that order, despite pressures from some white church and business leaders. The major crackdown on demonstrations, disturbances, and detentions of nonwhite oppositionists reflects the priority the Botha government gives to restoration of order before proceeding with new reforms. The increased outspokenness of the white business community--mostly Anglophone rather than Afrikaner--in favor of more fundamental reforms is having little perceptible effect on Botha.

The 14 million rural blacks remain unpoliticized and passive. The current security crackdown is driving moderate, nonrevolutionary black opinion leaders away from any dialogue with the government. The recent abandonment by the mineworkers' union of a partial strike does illustrate that moderate black trade unionists do not favor a suicidal, confrontation-at-all-costs strategy.

The arrest of UDF and student leaders has largely destroyed any national mechanism for orchestration of protests and violence; the township violence continues to be largely led by unorganized youths.

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The Communist-supported African National Congress lacks an effective organization in the country, but if its calls for violence against whites draws any widespread response, a massive government reaction could escalate the violence.

On the economic front, the short-term solution to South Africa's economic crisis depends largely on the willingness of Swiss, German, and British banks to roll over short-term loans and extend new credits.

We anticipate that the SAG will succeed in rolling over its short-term debt (\$6 million due in the next six months) and borrowing foreign currency against its gold reserve. New loans are more dependent on external perceptions of stability. We do anticipate a stabilization of the rand, debt rescheduling and new borrowings, but at a significantly increased cost. To accomplish short-term stabilization, the South African government is jeopardizing both an economic recovery in 1986 and longer-term growth.

We do not anticipate any significant government action on reform until after the 30 October by-elections. Following those elections, reforms will address already introduced subjects--citizenship, modification of influx control, and cautious moves toward a new federal constitutional arrangement. Such reforms will be introduced slowly and already have been discounted by black opinion leaders as insufficient.

Neither the continuing black violence nor the economic crisis, in our judgment, will stampede the Botha government into more significant reforms in the next year.

The bottom line of our estimate is that South Africa will not collapse but is entering or heading toward a state of siege. The unanswered question is how long a state of siege can last and whether it is a way station to more

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dramatic change. The operational question for the United States perhaps is not whether the white regime will survive but what kind of regime will it be, how strong it will be, its economic prospects, what its relationships with the outside world will be, how much internal violence and opportunity for external meddling will be generated, and what are the implications for South Africa's regional security role. A South Africa in a state of siege or totally preoccupied with internal economic and political difficulties has very real impact on our interests in Southern Africa.

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